

Regular Session, 2010

HOUSE BILL NO. 340

BY REPRESENTATIVE ARNOLD

1 AN ACT

2 To amend and reenact R.S. 9:1123.115(A)(1) and (2) and to enact R.S. 9:1121.111, relative
3 to the Louisiana Condominium Act; to require an advance be put in escrow accounts
4 when purchasing a condominium unit; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 9:1123.115(A)(1) and (2) are hereby amended and reenacted and
7 R.S. 9:1121.111 is hereby enacted to read as follows:

8 §1121.111. Sale of unit; escrow accounts

9 As part of the initial sale of units, the seller, whether that be the condominium
10 developer, the declarant, or a successor-in-interest, shall collect at least two months
11 of assessments from each unit purchaser, which funds are dedicated for the sole
12 purpose of establishing the association's reserve account. Such funds shall be placed
13 in a reserve escrow account separate from the seller's account. Those funds may be
14 used only for the exclusive benefit of the unit owner's association and shall be turned
15 over to the unit owner's association along with the other condominium assets in
16 accordance with the association declaration or bylaws.

17 * * *

18 §1123.115. Privilege on immovables

19 A.(1) The association shall have a privilege on a condominium parcel for all
20 unpaid or accelerated sums assessed by the association, any fines or late fees in
21 excess of two hundred fifty dollars, and interest thereon at the rate provided in the
22 condominium declaration or, in the absence thereof, at the legal interest rate. This
23 privilege shall also secure reasonable attorney fees incurred by the association
24 incident to the collection of the assessment or enforcement of the privilege. Further,
25 if the unit owner fails to timely pay the assessments for common elements for a

period of ~~six~~ three months or more during any eight-month period and notice to the delinquent unit owner is provided as set forth in Paragraph (3) of this Subsection, the association may accelerate the assessment on the common elements for a twelve-month period and file a privilege for the accelerated sums. Assessments for common elements are those assessments that are collected on a regular basis by the association for routine expenditures associated with the property.

(2) To be preserved, the privilege shall be evidenced by a claim of privilege, signed and verified by affidavit of an officer or agent of the association, and shall be filed for registry in the mortgage records in the parish in which the condominium is located. The claim of privilege shall include a description of the condominium parcel, the name of its record owner, the amount of delinquent or accelerated assessment, ~~and the date on which said~~ the assessment became delinquent, ~~and any~~ fines or late fees assessed in excess of two hundred fifty dollars.

* * *

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____